

Capitol Hill Report



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“The Scoop” on Healthcare Reform High Stakes for Personal Choice and Individual Pocketbooks

TRILLIONS AT STAKE (That’s 12 Zeros...)

In 2007, healthcare spending totaled \$2.3 trillion. By 2016, spending will reach \$4.6 trillion!¹ Dramatically increasing costs have forced the issue of healthcare into the national limelight, and John McCain and Barack Obama are eager to demonstrate their expertise on the topic. *Conservatives risk forfeiting credibility and influence on this trillion dollar issue if we fail to understand the problems facing the nation and decline to propose principled, practical solutions.*

BACKGROUND

National statistics claim 47 million uninsured Americans. However, once illegal immigrants, those in the process of changing jobs, and voluntarily uninsured people (\$50,000+ wages) get factored out, **only 10 million chronically uninsured citizens** remain.² Those people face healthcare costs that currently rise four times faster than wages³ and are predicted to double by 2017.⁴ The Federal government also faces health-funding challenges. *The Wall Street Journal* reported a Congressional Budget Office prediction that spending on Medicare and Medicaid will eat up one in four federal dollars by 2050.⁵ If ignored, the problem will continue to worsen.

¹ The National Coalition on Healthcare. “Health Insurance Costs”. 30 June 2008.

<<http://www.nchc.org/facts/cost.shtml>>

² Seymour, Julia. “Health Care Lie: 47 Million Uninsured Americans” Business & Media Institute. 18 August 2007.

<www.businessandmedia.org/printer/2007/20070718153509.aspx>

³ Obama08. “Healthcare.” 12 June 2008. <<http://www.barackobama.com/issues/healthcare/>>

⁴ AlliedQuotes. 13 June 2008. <<http://www.alliedquotes.com/Resources/John-McCains-Health-Insurance.html>>

⁵ Meckler, Laura. “McCain’s Health-Care Divergence”. The Wall Street Journal. 11 October 2007.

<online.wsj.com/public/article_print/SB119206651378255555.html>

CANDIDATE PROPOSALS

The following sections highlight the similarities and differences between the McCain and Obama plans.

COVERAGE

Similarities:

According to their websites, both McCain⁶ and Obama⁷ favor:

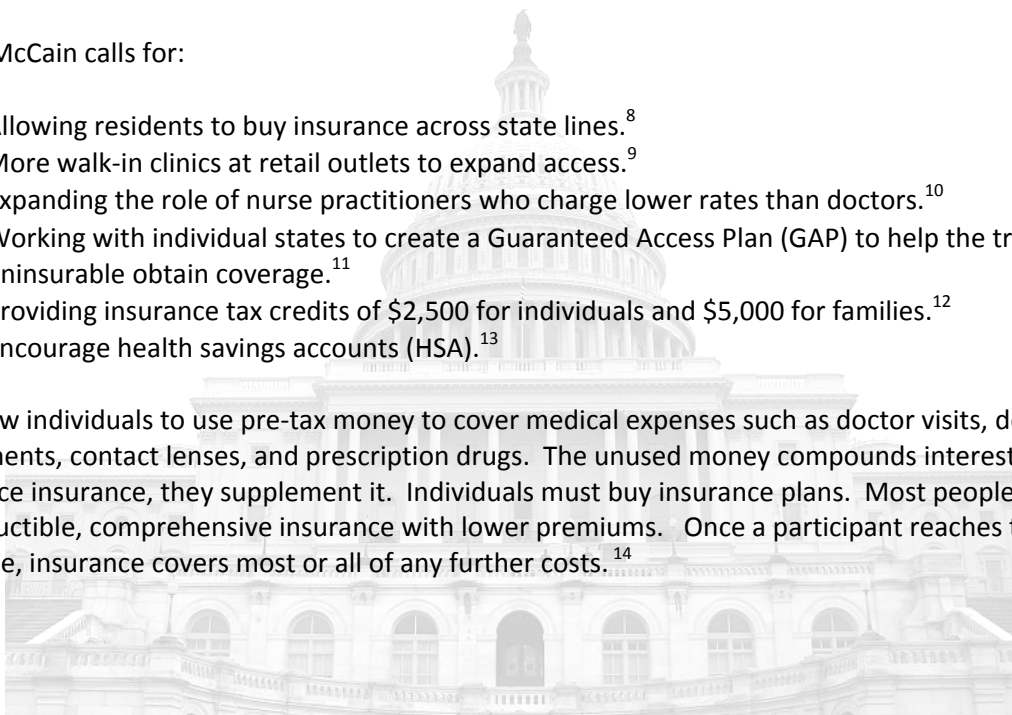
- Portability: Allowing people to keep insurance when they change jobs or retire.
- International Drug Importation.

McCain:

Senator McCain calls for:

- Allowing residents to buy insurance across state lines.⁸
- More walk-in clinics at retail outlets to expand access.⁹
- Expanding the role of nurse practitioners who charge lower rates than doctors.¹⁰
- Working with individual states to create a Guaranteed Access Plan (GAP) to help the traditionally uninsurable obtain coverage.¹¹
- Providing insurance tax credits of \$2,500 for individuals and \$5,000 for families.¹²
- Encourage health savings accounts (HSA).¹³

HSAs allow individuals to use pre-tax money to cover medical expenses such as doctor visits, dental appointments, contact lenses, and prescription drugs. The unused money compounds interest. HSAs do not replace insurance, they supplement it. Individuals must buy insurance plans. Most people choose high-deductible, comprehensive insurance with lower premiums. Once a participant reaches the deductible, insurance covers most or all of any further costs.¹⁴



⁶ John McCain 2008. 19 May 2008. < <http://www.johnmccain.com/Informing/Issues/19ba2f1c-c03f-4ac2-8cd5-5cf2edb527cf.htm> >

⁷ Obama08. "Healthcare." 12 June 2008. < <http://www.barackobama.com/issues/healthcare/> >

⁸ John McCain 2008. 19 May 2008. < <http://www.johnmccain.com/Informing/Issues/19ba2f1c-c03f-4ac2-8cd5-5cf2edb527cf.htm> >

⁹ Meckler, Laura. "McCain's Health-Care Divergence". The Wall Street Journal. 11 October 2007. <online.wsj.com/public/article_print/SB119206651378255555.html>

¹⁰ Meckler, Laura. "McCain's Health-Care Divergence". The Wall Street Journal. 11 October 2007. <online.wsj.com/public/article_print/SB119206651378255555.html>

¹¹ John McCain 2008. 19 May 2008. < <http://www.johnmccain.com/Informing/Issues/19ba2f1c-c03f-4ac2-8cd5-5cf2edb527cf.htm> >

¹² Meckler, Laura. "McCain's Health-Care Divergence". The Wall Street Journal. 11 October 2007. <online.wsj.com/public/article_print/SB119206651378255555.html>

¹³ Ibid.

¹⁴ Rooney, Patrick J. and Perrin, Dan. America's Health Care Crisis Solved. Hoboken: John Wiley and Sons, Inc., 2008.

Obama:

Senator Obama calls for:

- Mandatory insurance for all persons under the age of 18.¹⁵
- Guaranteed coverage.¹⁶
- Abolition of Medicare Advantage.¹⁷
- Expanding the State Children's Health Insurance Program (S-CHIP) and Medicare.¹⁸
- Developing a National Health Insurance Exchange (the Exchange).¹⁹

Medicare Advantage provides a "market-based alternative to traditional Medicare" and is "very popular among low-income and minority retirees".²⁰

S-CHIP provides Medicaid to children from families who make too much to qualify for regular Medicaid. Though funded by the Federal government, State governments actually implement the program.²¹

The Exchange "creates rules and standards for participating insurance plans". It actually mimics the healthcare reforms passed by Massachusetts under the leadership of Mitt Romney. Participation in The Exchange by insurance companies would be voluntary.²²

COST

How much will these proposals cost the U.S. taxpayer? Here are the most common estimates for each plan.

Similarities:

According to their campaign websites, both senators want to utilize health information technology (HIT) to lower costs in the long-run.

HIT fosters the secure and immediate exchange of health information between consumers and providers.²³ For instance, a patient's prescriptions, allergies, and medical history would be instantly available to all healthcare providers.

¹⁵ Obama08. "Healthcare." 12 June 2008. <<http://www.barackobama.com/issues/healthcare/>>

¹⁶ Krugman, Paul. "Clinton, Obama, Insurance". The New York Times. 4 February 2008. <<http://www.nytimes.com/2008/02/04/opinion/04krugman.html>>

¹⁷ Catron, David. "McCainCare vs. ObamaCare". The American Spectator. 1 May 2008. <www.spectator.org/util/print.asp?art_id=13136>

¹⁸ Ibid.

¹⁹ Noah, Timothy. "Obamacare: Better Than It Looks". Slate. 19 June 2007. <www.slate.com/toolbar.aspx?action=print&id=2168709>

²⁰ Ibid.

²¹ "Hillary Claims Credit for Child Program". NewsMax. 5 October 2007. <http://www.newsmax.com/insidecover/hillary_health_care/2007/10/05/38601.html>

²² Noah, Timothy. "Obamacare: Better Than It Looks". Slate. 19 June 2007. <www.slate.com/toolbar.aspx?action=print&id=2168709>

²³ Department of Health and Human Services. 18 June 2008. <www.hhs.gov/healthit/>

McCain:

McCain's plan provides individuals a \$2,500 tax credit and families a \$5,000 tax credit funded by the U.S. Treasury. However, he plans to offset these costs by eliminating the tax exemption for employers who provide insurance, saving the U.S. Treasury \$3.6 trillion.²⁴

His campaign staff estimates the cost of GAP at around \$10 billion annually.

McCain hopes to bring medical costs down through medical malpractice tort reform²⁵ and utilizing health information technology.²⁶

Obama:

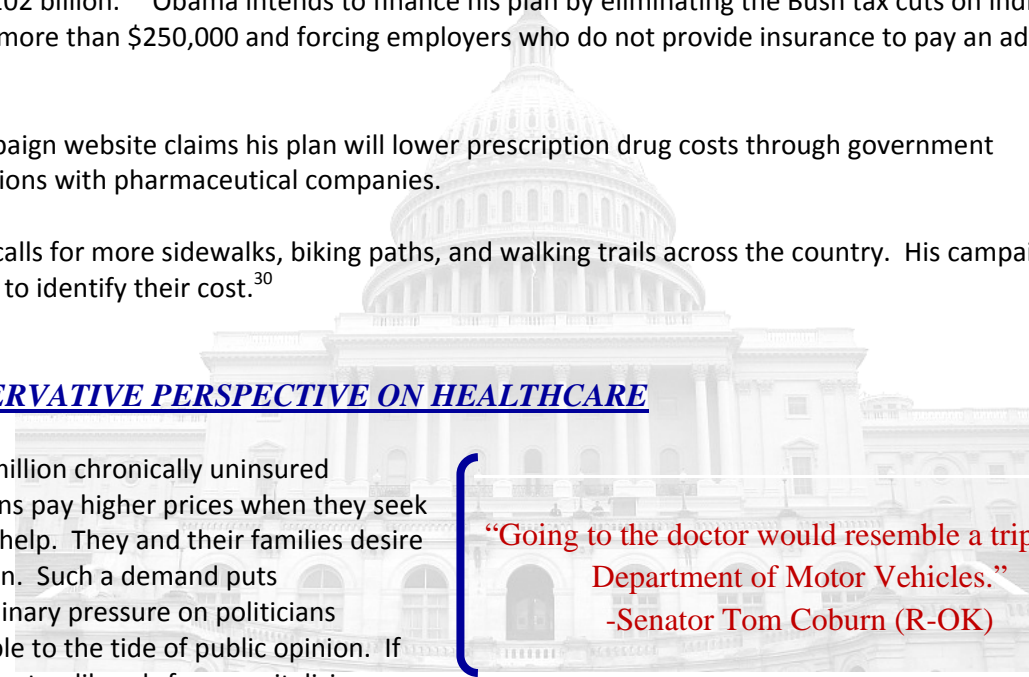
Various cost estimates exist for Obama's healthcare plan. His campaign approximates the cost at \$65 billion.²⁷ Jonathan Gruber, an economist at the Massachusetts Institute of Technology, puts the price tag at \$102 billion.²⁸ Obama intends to finance his plan by eliminating the Bush tax cuts on individuals earning more than \$250,000 and forcing employers who do not provide insurance to pay an additional tax.²⁹

His campaign website claims his plan will lower prescription drug costs through government negotiations with pharmaceutical companies.

Obama calls for more sidewalks, biking paths, and walking trails across the country. His campaign neglects to identify their cost.³⁰

CONSERVATIVE PERSPECTIVE ON HEALTHCARE

The 10 million chronically uninsured Americans pay higher prices when they seek medical help. They and their families desire a solution. Such a demand puts extraordinary pressure on politicians vulnerable to the tide of public opinion. If we fail to stop liberals from capitalizing on that vulnerability and socializing healthcare, our taxes will skyrocket while healthcare quality and service plummet. In the words of Senator Tom Coburn, "A government run healthcare program would only



**“Going to the doctor would resemble a trip to the Department of Motor Vehicles.”
-Senator Tom Coburn (R-OK)**

24 “McCain Proposes Tax Credits to Help Buy Health Insurance”. The Boston Globe. 30 April 2008.

<http://www.boston.com/news/nation/articles/2008/04/30/mccain_proposes_tax_credits_to_help_buy_health_insurance/>

25 “McCain’s health care proposal emphasizes ‘freedom’”. CNN.com. 19 May 2008.

<www.cnn.com/2007/POLITICS/10/11/mccain.healthcare.ap/index.html>

26 John McCain 2008. 19 May 2008. <<http://www.johnmccain.com/Informing/Issues/19ba2f1c-c03f-4ac2-8cd5-5cf2edb527cf.htm>>

27 Obama08. “Healthcare.” 12 June 2008. <<http://www.barackobama.com/issues/healthcare/>>

28 Krugman, Paul. “Clinton, Obama, Insurance”. The New York Times. 4 February 2008.

<<http://www.nytimes.com/2008/02/04/opinion/04krugman.html>>

29 Noah, Timothy. “Obamacare: Better Than It Looks”. Slate. 19 June 2007.

<www.slate.com/toolbar.aspx?action=print&id=2168709>

30 Obama08. “Healthcare.” 12 June 2008. <<http://www.barackobama.com/issues/healthcare/>>

compound the existing problem. Washington, D.C., bureaucrats would have the ultimate decision over every healthcare decision. Going to the doctor would resemble a trip to the Department of Motor Vehicles”.³¹

Conservatives understand that government-created and regulated “solutions” rarely work. Therefore, we must take our knowledge of the free-market and channel it into care that emphasizes personal choice and responsibility, assistance for those who truly cannot afford or acquire insurance, and ultimately, reduced costs for everyone.

ACTION ITEMS

- 1) The next President and Congress will face a public that demands healthcare reform. **Conservatives must further educate themselves and be prepared to debate liberal “experts”.** Check out the information sources listed below.

Source	Information Available At:
The Heritage Foundation	http://www.heritage.org/Research/HealthCare/index.cfm
CATO Institute	http://www.cato.org/researcharea.php?display=6
American Enterprise Institute	http://www.aei.org/research/filter.all,subjectID.7/projectfilter_detail.asp
The Heartland Institute	http://www.heartland.org/Article.cfm?artId=10333
Patrick Rooney and Dan Perrin	<u>America’s Health Care Crisis Solved</u> (John Wiley and Sons, Inc.)

- 2) Pass this report on to those in your network. The more people who understand healthcare, the better. A well-educated public is the best defense of freedom.
- 3) Once you feel comfortable discussing healthcare, contact your senators and representatives to inform them of your views. To find contact information for senators, go to: www.Senate.gov. To find contact information for representatives, go to: www.House.gov.

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-Written by Shaun Waymire

³¹ Senator Tom Coburn. 26 June 2008.

<<http://coburn.senate.gov/public/index.cfm?FuseAction=HealthCareReform.Home>>